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Financial Report

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

June 30, 2000

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Release Date 1-31-01

TABLE OF CONTENTS

Financial Report

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 2000

1.	INDEPENDENT AUDITOR'S REPORT	1
2.	REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	3
3.	REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	5
4.	GENERAL PURPOSE FINANCIAL STATEMENTS:	
♦	Combined Balance Sheet - All Fund Types and Account Groups	7
♦	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	8
♦	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund Type	9
♦	Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Special Revenue Fund Type	10
♦	Notes to Financial Statements	11
5.	SUPPLEMENTARY FINANCIAL INFORMATION:	
♦	Schedule 1 - Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund	37
♦	Schedule 2 - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds	38
♦	Schedule 3 - Schedule of Program Expenditures - Budget vs. Actual - Grants Provided by the Governor's Office of Elderly Affairs and the Capital Area Agency on Aging	39

◆	Schedule 4 - Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets .	41
◆	Schedule 5 - Schedule of Priority Services - Title III, Part B - Grant for Supportive Services	42
◆	Schedule 6 - Schedule of Expenditures of Federal Awards	43
6.	SCHEDULE OF FINDINGS AND QUESTIONED COSTS	44
7.	SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	46
8.	MANAGEMENT LETTER	47
9.	MANAGEMENT'S CORRECTIVE ACTION PLAN	52

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

I have audited the accompanying general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated August 17, 2000, on my consideration of The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, taken as a whole. The accompanying schedules 1 through 5, listed in the table of contents as supplementary information, are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and are not a required part of the general purpose financial statements. The accompanying schedule 6, Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Baton Rouge, Louisiana,
August 17, 2000.

Neil B. Ferranti, CPA

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors,
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

I have audited the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 2000, and have issued my report thereon dated August 17, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Tangipahoa Parish Voluntary Council on Aging's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance, which I have reported to management of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, in a separate letter dated August 17, 2000.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, in a separate letter dated August 17, 2000.

This report is intended for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
August 17, 2000.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors,
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

Compliance

I have audited the compliance of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The Tangipahoa Parish Voluntary Council on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Tangipahoa Parish Voluntary Council on Aging's management. My responsibility is to express an opinion on The Tangipahoa Parish Voluntary Council on Aging's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Tangipahoa Parish Voluntary Council on Aging's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of The Tangipahoa Parish Voluntary Council on Aging's compliance with those requirements.

In my opinion, The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered The Tangipahoa Parish Voluntary Council on Aging's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Kyle A. Ferrari, CPA

Baton Rouge, Louisiana,
August 17, 2000.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 2000

With Comparative Totals for the Year Ended June 30, 1999

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-term Debt	2000	1999
ASSETS AND OTHER DEBITS						
Assets:						
Cash	\$ 90,452	\$ 23,358	\$ 0	\$ 0	\$ 113,810	\$ 111,503
Government grants and contracts receivable	12,500	9,042	0	0	21,542	21,668
Accounts receivable	2,853	415	0	0	3,268	5,278
Prepaid expenditures	1,026	0	0	0	1,026	12,823
Deposit towards vehicle purchase	6,415	0	0	0	6,415	13,691
Due from Special Revenue funds	3,435	0	0	0	3,435	21,668
Restricted assets - Cash	6,935	0	0	0	6,935	9,889
Fixed assets	0	0	274,768	0	274,768	251,055
Other debits:						
Amount to be provided to retire long-term debt	0	0	0	7,699	7,699	9,442
Total assets and other debits	\$ 123,616	\$ 32,815	\$ 274,768	\$ 7,699	\$ 438,898	\$ 457,017
LIABILITIES, FUND EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 138	\$ 11,216	\$ 0	\$ 0	\$ 11,354	\$ 4
Due to General Fund	0	3,435	0	0	3,435	21,668
Deferred grant revenue	0	16,084	0	0	16,084	13,801
Accumulated unpaid vacation	0	0	0	7,699	7,699	9,442
Total liabilities	138	30,735	0	7,699	38,572	44,915
Fund Equity and Other Credits:						
Fund balances:						
Reserved for:						
Prepaid expenditures	1,026	0	0	0	1,026	12,823
Vehicle purchase	6,415	0	0	0	6,415	27,381
Congregate & home-delivered meals	6,935	0	0	0	6,935	9,889
Unreserved - undesignated	109,102	2,080	0	0	111,182	110,954
Investment in general fixed assets	0	0	274,768	0	274,768	251,055
Total fund equity and other credits	123,478	2,080	274,768	0	400,326	412,102
Total liabilities, fund equity and other credits	\$ 123,616	\$ 32,815	\$ 274,768	\$ 7,699	\$ 438,898	\$ 457,017

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

With Comparative Totals for the Year Ended June 30, 1999

	General	Special Revenue	Totals (Memorandum Only)	
			2000	1999
<u>REVENUES</u>				
Intergovernmental	\$ 85,102	\$ 437,829	\$ 522,931	\$ 517,859
Public Support	38,780	52,061	90,841	85,891
Program Service Fees	45,991	7,266	53,257	53,876
Interest Income	2,096	261	2,357	2,429
Miscellaneous	0	35	35	2,630
In-kind Contributions	2,852	103,616	106,468	106,600
Total revenues	174,821	601,068	775,889	769,285
<u>EXPENDITURES</u>				
Current:				
Personnel	56,627	382,988	439,615	394,792
Fringe	5,522	37,866	43,388	38,240
Travel	1,065	9,878	10,943	11,949
Operating Services	10,593	61,579	72,172	67,424
Operating Supplies	5,033	32,249	37,282	27,096
Other Costs	15,624	11,372	26,996	28,010
Meals	0	23,404	23,404	17,481
Capital Outlay	38,915	0	38,915	42,160
Utility Assistance	0	12,695	12,695	11,773
Interest	0	0	0	1,071
In-kind	2,852	103,616	106,468	106,600
Total expenditures	136,231	675,647	811,878	746,596
Excess of revenues over(under) expenditures	38,590	(74,579)	(35,989)	22,689
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	47,998	269,595	317,593	257,852
Operating transfers out	(121,371)	(196,222)	(317,593)	(257,852)
Proceeds from sale of fixed assets	500	0	500	2,500
Excess of revenues and other sources over(under) expenditures and other uses	(34,283)	(1,206)	(35,489)	25,189
<u>FUND BALANCES</u>				
Beginning of year	157,761	3,286	161,047	135,858
End of year	\$ 123,478	\$ 2,080	\$ 125,558	\$ 161,047

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental	\$ 85,102	\$ 85,102	\$ 0
Public Support	37,569	38,780	1,211
Program Service Fees	40,971	45,991	5,020
Interest Income	2,052	2,096	44
In-kind Contributions	0	2,852	2,852
 Total revenues	 165,694	 174,821	 9,127
<u>EXPENDITURES</u>			
Current:			
Personnel	58,176	56,627	1,549
Fringe	6,538	5,522	1,016
Travel	828	1,065	(237)
Operating Services	9,655	10,593	(938)
Operating Supplies	5,069	5,033	36
Other Costs	7,746	15,624	(7,878)
Capital Outlay	46,140	38,915	7,225
In-kind	0	2,852	(2,852)
 Total expenditures	 134,152	 136,231	 (2,079)
 Excess of revenues over(under) expenditures	 31,542	 38,590	 7,048
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	42,921	47,998	5,077
Operating transfers out	(112,150)	(121,371)	(9,221)
Proceeds from sale of fixed assets	0	500	500
 Excess of revenues and other sources over(under) expenditures and other uses	 (37,687)	 (34,283)	 \$ 3,404
<u>FUND BALANCES</u>			
Beginning of year	157,761	157,761	
 End of year	 \$ 120,074	 \$ 123,478	

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPE**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

	Budget	Actual	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 437,831	\$ 437,829	\$ (2)
Public Support	52,331	52,061	(270)
Program Service Fees	6,800	7,266	466
Interest Income	414	261	(153)
Miscellaneous	0	35	35
In-kind Contributions	103,680	103,616	(64)
 Total revenues	 601,056	 601,068	 12
<u>EXPENDITURES</u>			
Current:			
Salaries	381,912	382,988	(1,076)
Fringe	43,389	37,866	5,523
Travel	10,172	9,878	294
Operating Services	56,617	61,579	(4,962)
Operating Supplies	32,128	32,249	(121)
Other Costs	13,658	11,372	2,286
Meals	3,142	23,404	(20,262)
Capital Outlay	13,462	0	13,462
Utility Assistance	12,150	12,695	(545)
In-kind	103,680	103,616	64
 Total expenditures	 670,310	 675,647	 (5,337)
 Excess of revenues over(under) expenditures	 (69,254)	 (74,579)	 (5,325)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	257,270	269,595	12,325
Operating transfers out	(188,041)	(196,222)	(8,181)
 Excess of revenues and other sources over(under) expenditures and other uses	 (25)	 (1,206)	\$ <u>(1,181)</u>
<u>FUND BALANCES</u>			
Beginning of year	3,286	3,286	
 End of year	\$ <u>3,261</u>	\$ <u>2,080</u>	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 2000

Note 1 - Summary of Significant Accounting Policies

a. Purpose of the Council on Aging:

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Tangipahoa Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the Parish and State; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), and other departments of state and local government serving the aging people, in particular the Capital Area Agency on Aging, District II, Inc. (CAAA).

Specific services provided by the Council to the elderly residents of Tangipahoa Parish include providing meals, nutritional education, case management, information and assistance, outreach, utility assistance, homemaker, recreation, telephoning, operating senior centers, and transportation.

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Tangipahoa Parish Voluntary Council on Aging is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and the State of Louisiana. Other entities that provide the Council with funds may impose additional compliance requirements.

Note 1 - Summary of Significant Accounting Policies - (continued)

b. Reporting Entity: - (continued)

A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- ♦ Ten members shall be appointed by the Tangipahoa Parish Council to represent the elderly population in their respective districts.
- ♦ Two members shall be appointed by agencies which serve the elderly (one from Social Security Administration and one from the Department of Social Services or Department of Health and Human Resources).
- ♦ Three at-large members from throughout Tangipahoa Parish shall be elected by the general membership at the Council's annual meeting.

Membership in the Council is open at all times, without restriction, to all residents of Tangipahoa Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in Section 2100 of Governmental Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, The Tangipahoa Parish Voluntary Council on Aging is not a component unit of another primary government nor does it have any component units which are related to it. Accordingly, the Council has presented its financial statements as a separate special-purpose government because (a) it has a separately elected governing body, (b) it is legally separate, and (c) it is fiscally independent of other state and local governments.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Presentation of Statements:

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs Contractors; and, the *Louisiana Governmental Audit Guide*.

d. Fund Accounting:

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and two broad fund categories (account groups).

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: - (continued)

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

♦ General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

The following programs comprise the Council's General Fund:

Local

Funds received from various local sources, such as; the Tangipahoa Parish Council, City of Hammond, Town of Kentwood, the United Way, donations from the general public, fund raisers, and interest income earned on unrestricted fund balances have been recorded in the local program of the General Fund. Most of these funds are unrestricted and may be used at the Council's discretion. However, some funds are restricted as to use and are accounted for in the General Fund if a Special Revenue Fund is not legally required. Expenditures which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

Local funds are also used as transfers to other programs in cases where expenditures exceed revenues. In addition, capital outlay expenditures are usually paid for with local funds.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: - (continued)

♦ General Fund - (continued)

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs. The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60 years old. In fiscal year 2000, the Council transferred its PCOA funds to the Title III D and Adult Day Care programs to help provide extra funds to meet the costs of providing services in these programs.

Senior Center Activities

The Council operates senior centers in Hammond, Tickfaw, Amite, Kentwood, Independence, and Ponchatoula. The participants at each of these centers solicit public support and raise funds through activities to help offset the cost of activities that are not paid for through the primary grant to operate senior centers from the Capital Area Agency on Aging - District II, Inc. (CAAA). Examples of the types of activities used to raise these funds include craft sales, ceramic sales, and soft drink sales. There is no restriction on how the net proceeds of these activities are used. The revenues and related expenses for each senior center's non-program activities are maintained in separate accounts within the Council's general ledger.

Local Transportation

The Council also provides local transportation services to agencies and to residents of Tangipahoa Parish for a fee. These program service fees and their related costs are accounted for within the local transportation program of the General Fund in cases where the person being transported was not eligible for transportation services under the Title III B program. Fees and costs related to Title III B

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ General Fund - (continued)

Local Transportation - (continued)

participants are accounted for in that fund. Transportation services are provided on a demand/response, first come, first served, non-emergency basis.

Case Management

The Council acts as a coordinator of services for people who are home-bound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates the services and is paid a fee by Medicaid to perform the case management function. During this fiscal year the Council provided case management services to 8 people. This service was discontinued early in the fiscal year.

The Council also provided another service under this program wherein the Council completed enrollment applications for people wanting to apply for Medicaid services and insurance for children. The Council was paid \$14 per application it completed. During this fiscal year the Council completed 414 applications.

Adult Day Care

The Council began to provide Adult Day Care services in May, 1999, at its Hammond senior center. The purpose of this service is to provide a facility where elderly family members can be brought and cared for to allow other family members time to attend to personal matters and to give them relief from having to constantly attend to the elderly member's needs. The Council's management believes the demand for this service will continue to grow in future years.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by Capital Area Agency on Aging - District II, Inc. (CAAA). The Title III funds which the Council receives are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council via the CAAA. GOEA also provides CAAA funds from other state grants which are in turn passed through to the Council.

The following are the funds which comprise the Council's Special Revenue funds:

Title III B Fund

The Title III B Fund is used to account for funds which are used to provide various supportive social services to the elderly. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

♦ Information and Assistance	2,061 units
♦ Case Management	454 units
♦ Outreach	422 units
♦ Homemaker	2,524 units
♦ Recreation	18,074 units
♦ Telephoning	467 units
♦ Transportation for people age 60 or older.	34,243 units

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers throughout Tangipahoa Parish. The Council maintains meal-sites in Amite, Independence, Tickfaw, Kentwood, Hammond, and Ponchatoula. During the year the Council provided 42,484 meals to people eligible to participate in this program.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound people who are age 60 or older. During the year the Council provided 71,572 home-delivered meals, not including 3,552 meals paid for with FEMA funds, to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail, elderly person who is home-bound, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. During the year the Council provided 1,374 units of personal care to eligible participants in this program.

Title III F Fund

The Title III F Fund is used to account for funds used for disease prevention and health promotion activities. During the year the Council provided 8,114 units of wellness service to eligible participants in this program.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II, Inc. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Senior Center Fund transferred its funds to the Title III B Fund this year to help pay for the cost of services provided through that fund.

Supplemental Senior Center Grant Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. The TVCOA was one of the parish councils to receive a supplemental grant of \$4,500. The Governor's Office of Elderly Affairs provided these funds to the Council through CAAA. The money received by this fund during the year was transferred to the Title III B Fund to offset the cost of providing supportive services to participants receiving services at the senior centers.

Audit Fund

The Audit Fund is used primarily to account for funds provided by the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II Inc., that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

EFSP Fund

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program which purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency (FEMA) through the United Way of America which in turn "passes through" the funds to the Council. A local board working with the parish's local United Way agency assists TVCOA in obtaining EFSP funds from United Way's national office. During the fiscal year, 3,552 additional home-delivered meals and 8 utility bill payments were provided by the Council using the FEMA funds.

Section 5311 Fund

These funds are provided under the U.S. Department of Transportation's Public Transportation for Nonurbanized Areas - Section 5311 Program. The Louisiana Department of Transportation and Development (DOTD) receives these funds for the State of Louisiana and passes them through to the Council via the City of Ponchatoula. Funds received by the Council are based on actual operating costs of providing transportation services to rural clients within the parish. As part of calculating the operating costs of this program, the Council may apportion some of the in-kind contributions it receives as allowable transportation expenses. This provision results in the Council receiving cash reimbursement for costs which did not require the Council to spend cash. This fund was discontinued at the end of the fiscal year because another local entity, Transit Connections, began providing some of the transportation services previously provided by the Council. As a result, DOTD contracted with Transit Connections to administer the Section 5311 funds.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

Utility Assistance Fund

This fund is used to primarily account for the administration of the utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging throughout the state to provide assistance to the elderly for the payment of utility bills. The Council receives its Helping Hands and Louisiana Gas donations through the Louisiana Association of Councils on Aging, Inc. (LACOA). Also, during the fiscal year, the Council received some donations which were restricted to the purchase of fans to provide needy, elderly persons a means to stay cool in the summer months.

e. Account Groups:

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds".

General Fixed Assets

The fixed assets used in governmental fund type operations of the Council are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as capital outlay expenditures in the government fund types when purchased.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group. The General Long-term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

Note 1 - Summary of Significant Accounting Policies - (continued)

f. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgements and compensated absences are recorded as expenditures when paid with expendable available financial resources.

g. Transfers and Interfund Loans:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts on the balance sheet. Short-term interfund loans are classified as interfund receivables or payables.

h. Budget Policy:

The Council follows these procedures in establishing the budgetary data which has been presented in Exhibits C and D of these financial statements.

- ♦ The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.

Note 1 - Summary of Significant Accounting Policies - (continued)

h. Budget Policy: - (continued)

- ◆ The City of Ponchatoula also provides funds to the Council under the Section 5311 program administered by the Louisiana Department of Transportation and Development (DOTD). Accordingly, the Council obtains information from DOTD regarding projected funding under the Section 5311 program.
- ◆ Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- ◆ Once the information regarding projected revenues has been obtained, the Council's executive director prepares a proposed budget based on these projections and then submits the budget to the Board of Directors for approval.
- ◆ The Board of Directors reviews and adopts the budget before May 31 of the current year for the next fiscal year.
- ◆ The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass-through to the Council from GOEA.
- ◆ Most budgetary appropriations, particularly those involving funds received from CAAA and GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date when the budgetary appropriations will lapse.
- ◆ The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Note 1 - Summary of Significant Accounting Policies - (continued)

h. Budget Policy: - (continued)

- ◆ Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the fiscal year, which was effective May 1, 2000. The budget amendments were approved by the Council's Board of Directors and by CAAA using a similar procedure as the approval of the original budget.
- ◆ Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- ◆ The Council may transfer funds between line items as often as required but must obtain compliance approval from the CAAA, and the Governor's Office of Elderly Affairs for funds received under contracts from these agencies.
- ◆ The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

i. Cash:

Cash is reported at carrying amount which equals its fair value.

j. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of greater than one year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

Note 1 - Summary of Significant Accounting Policies - (continued)

k. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

l. Compensated Absences:

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee multiplied by each employee's current wage rate as of June 30, 2000. An amount is added to this total for social security and medicare taxes. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

m. Related Party Transactions:

There were not any related party transactions during the fiscal year.

Note 1 - Summary of Significant Accounting Policies - (continued)

n. Restricted Assets:

Restricted assets include unspent cash which has been acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council. During the fiscal year, the Council held its annual "Walking for Seniors" fund raiser where it received cash donations from the general public for the congregate and home-delivered meals programs. As cash is needed for one of these programs, it is transferred from the General Fund. During the fiscal year, \$12,224 of these donations were transferred to the congregate meals program. At year end, \$6,935 of these restricted donations remained unused.

Restricted assets are offset by a corresponding reservation of the Council's fund balance.

o. Reservation and Designations of Fund Balances:

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner. Designations of fund balances can be changed at the discretion of the Council's board of directors. There were no designated fund balances at year end.

p. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 2 - Revenue Recognition - Intergovernmental Grants, Program Service Fees, Interest Income, Public Support, and Miscellaneous Revenues

Intergovernmental grant revenues, program service fees, and interest income are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Note 3 - Cash

The Council maintains a consolidated bank account to deposit most of the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

Cash is reported at carrying amount which equals its fair value. At June 30, 2000, the carrying amount of the Council's cash balances on the books was \$120,745, including \$250 of petty cash, whereas the related bank balances were \$144,958. The difference in the book and bank balances relates primarily to deposits made and checks written for cash which did not clear the bank accounts by June 30, 2000. At June 30, 2000, \$134,929 of bank balances were covered 100% by federal depository insurance and have been classified as a "Category 1" credit risk in accordance with GASB Statement 3. However, the remaining \$10,029 has been classified as a "Category 3" credit risk because the balances were uninsured and uncollateralized.

Note 4 - Government Grants and Contracts Receivable

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year end.

Note 4 - Government Grants and Contracts Receivable - (continued)

Government grants and contracts receivable, at June 30, 2000, consist of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
General Fund	Hammond	General	\$12,500
Title III C-1	CAAA	Special Revenue	2,329
Title III C-2	City of Amite	Special Revenue	1,143
Title III C-2	CAAA	Special Revenue	4,209
Section 5311	LA. DOTD	Special Revenue	<u>1,361</u>
Total			\$21,542 =====

Note 5 - Accounts Receivable

Accounts receivable represent money owed to the Council for providing program services. As of year end this revenue is measurable and available. At June 30, 2000, accounts receivable consist of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
Case Management	Medicaid	General	\$1,456
Local Transportation	Medicaid	General	1,397
Title III-B	Medicaid	Special Revenue	<u>415</u>
			\$3,268 =====

Note 6 - Prepaid Expenditures and Vehicle Purchase Deposit

The Council has elected not to expense amounts paid for future services until those services are consumed. The fund balances in the governmental fund types have been reserved for the prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

At year end prepaid expenditures represent amounts paid in advance for insurance premiums, kitchen supplies, equipment maintenance and utilities due in fiscal year 2001.

Note 6 - Prepaid Expenditures and Vehicle Purchase Deposit -
(continued)

At the end of fiscal year 2000, a \$6,415 deposit had been made towards the purchase of a van. The deposit represents the Council's share of local matching funds under an FTA contract. The van is expected to be delivered to the Council in fiscal year 2001.

Note 7 - Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance June 30, 1999	Additions	Deletions	Balance June 30, 2000
Vehicles	\$195,062	\$ 2,650	\$(4,847)	\$192,865
Office furniture and equipment	24,737	-	(601)	24,136
Computer equipment	14,723	-	(1,566)	13,157
Nutrition equipment	7,297	-	-	7,297
Leasehold improvements	5,487	29,526	(1,449)	33,564
Exercise equipment	3,749	-	-	3,749
Totals	\$251,055	\$ 32,176	\$(8,463)	\$274,768
	=====	=====	=====	=====

Current year additions do not include \$6,739 of funds used as local matching funds to acquire a vehicle that was titled to the City of Ponchatoula but that will be used by the Council.

Donated assets represent \$500 of the year end total.

Note 8 - Deferred Grant Revenue

This account represents funds received but which cannot be recognized as income because (1) the terms of the grant award won't allow revenue recognition until allowable expenditures have been incurred or, (2) an event has not occurred to fulfill a contractual agreement.

Note 8 - Deferred Grant Revenue - (continued)

The deferred grant revenue balance as of June 30, 2000, consisted of the following:

EFSP Phase 18 grant revenue	\$16,084
	=====

Expenditures relating to this deferred income will be incurred in fiscal year 2001.

Note 9 - In-Kind Contributions

The Council received \$106,468 in various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related charges, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

The primary in-kind contributions consist of free rent and utilities relating to the use of facilities in Ponchatoula, Amite, Tickfaw, Hammond, Independence, and Kentwood. The Council also receives a discount on the fuel it purchases from its gasoline supplier.

A summary of the in-kind contributions and their respective assigned values is as follows:

Fuel discounts	\$ 4,003
Facility rental	74,700
Utilities for facilities	16,505
Telephone	600
Janitorial and maintenance services	8,500
Supplies	600
Insurance	<u>1,560</u>
 Total in-kind contributions	 \$106,468
	=====

Note 10 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-pocket expenses when traveling on behalf of the Council.

Exhibit E
continued

Note 11 - FTA - Public Transportation for Nonurbanized Areas-
Section 5311

The Council earned and received \$126,979 under the "Section 5311" program. Total rural transportation costs were \$370,268 for the year ended June 30, 2000. These costs were funded as follows:

Section 5311	\$126,979
In-kind contributions	51,607
Title III-B grant funds	69,028
State transportation funds	24,607
Other local and state funds	56,962
Program services fees	31,687
Title III-B participant contributions	5,049
Town of Kentwood	2,400
Public fares	<u>1,949</u>
 Total	 \$370,268 =====

Note 12 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 13 - Lease and Rental Commitments

On October 28, 1999 the Louisiana State Board of Elementary and Secondary Education (BESE) approved a 20 year lease between it and the Council for the Hammond senior center building. The Council has the option to renew this lease for four consecutive additional terms of five years each provided the Council has maintained the building and submitted its request to renew in writing to BESE at least sixty days before the end of the lease term. The Council is responsible for all interior and exterior repairs, utilities, and must maintain a minimum of \$1,000,000 of liability insurance coverage on the property. There is no rent owed by the Council to BESE for the use of the building.

Note 14 - General Long-Term Debt

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in long-term debt.

	Balance	Net	Balance
	7/01/99	Increase (Decrease)	6/30/00
Accumulated unpaid vacation	\$ 9,442	\$(1,743)	\$7,699
Total long-term debt	\$ 9,442	\$(1,743)	\$7,699
	=====	=====	=====

Note 15 - Judgements, Claims, and Similar Contingencies

There is no litigation pending against the Council at June 30, 2000. The Council's management believes that any potential, unasserted lawsuits would be adequately covered by insurance.

Note 16 - Federal Award Programs

The Council participates in a number of federal award programs. These programs are audited in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Audits of prior years have not resulted in any disallowed costs, however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs to such an extent that they would materially affect the Council's financial position. Any costs that would be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 17 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Department of Transportation (DOTD) and Development, Governor's Office of Elderly Affairs (GOEA), and the Capital Area Agency on Aging-District II, Inc. (CAAA). The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year from CAAA and GOEA. However, DOTD has awarded another local agency, Transit Connections, the Section 5311 funds for fiscal year 2001. During fiscal year 2000, the Council received \$126,979 of Section 5311 funds to pay for local transportation expenditures. Transit Connections will be using the Council to provide transportation services during fiscal year 2001. Therefore, the Council will receive some Section 5311 funds in an indirect manner. Management has adjusted the Council's budget and mode of operations to account for the loss of the Section 5311 funds to minimize the financial impact on the Council.

Note 18 - Purchase Commitments

The Council has entered into a contract with the Louisiana Department of Transportation and Development (DOTD) to purchase a new van. The Council is responsible for matching 20% of the purchase price of the van. The Council has remitted the required matching funds (\$6,415) for the van as of June 30, 2000. The van is expected to be delivered in fiscal year 2001.

Note 19 - Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the fiscal year that exceeded the Council's insurance coverage.

Note 20 - Deferred Compensation Plan

The Council offers its employees a means to defer compensation through a tax-sheltered group annuity underwritten by AIM and administered by the Council. This plan has been established in accordance with Section 403(b) of the Internal Revenue Code. All of the Council's employees are eligible to participate in the plan, however, participation is not mandatory. Elective deferrals by the Council's employees are made through salary reduction agreements with the Council. The maximum an employee may contribute is \$10,000 per year or the employee's maximum exclusion allowance, whichever is less. The maximum exclusion allowance differs from one person to another or even from year to year and is dependent upon several factors. All amounts contributed to the plan are non-forfeitable thereby making them 100% vested by the employees. Earnings within the annuity contracts accumulate tax free. During the fiscal year, \$6,190 was contributed to the plan via employee salary deferrals. No matching amounts were contributed by the Council.

Note 21 - Interfund Loans

Because the Council operates its programs under unit-cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 2000, were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 3,435	\$ -
Special Revenue Funds:		
Title III C-1	-	2,074
Section 5311	-	1,361
Total special revenue funds	-	3,435
Total all funds	\$ 3,435 =====	\$ 3,435 =====

Exhibit E
continued

Note 22 - Interfund Transfers

Operating transfers in and out are as follows for the fiscal year:

	<u>Transfers To</u>							
	<u>General Fund</u>				<u>Special Revenue Funds</u>			
	<u>Other</u>	<u>Local</u>	<u>Case</u>	<u>Adult</u>	<u>Title</u>	<u>Title</u>	<u>Title</u>	
	<u>Local</u>	<u>Trans.</u>	<u>Mgmt.</u>	<u>Day</u>	<u>III B</u>	<u>III C-1</u>	<u>III D</u>	<u>Totals</u>
<u>Transfers from</u>								
General Fund:								
PCOA	\$ -	\$ -	\$ -	\$5,673	\$ -	\$ -	\$19,529	\$ 25,202
Local - other	<u>-</u>	<u>-</u>	<u>14,236</u>	<u>2,627</u>	<u>67,082</u>	<u>12,224</u>	<u>-</u>	<u>96,169</u>
Total General Fund	<u>-</u>	<u>-</u>	<u>14,236</u>	<u>8,300</u>	<u>67,082</u>	<u>12,224</u>	<u>19,529</u>	<u>121,371</u>
Special Revenue Funds:								
Section 5311	-	22,178	-	-	104,801	-	-	126,979
Suppl. Senior Ctr.	-	-	-	-	4,500	-	-	4,500
Title III C-2	-	-	-	-	-	2,101	-	2,101
Title III F	3,284	-	-	-	-	-	-	3,284
Audit	-	-	-	-	2,796	-	-	2,796
Senior Center	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,562</u>	<u>-</u>	<u>-</u>	<u>56,562</u>
Total Special Revenue Funds	<u>3,284</u>	<u>22,178</u>	<u>-</u>	<u>-</u>	<u>168,659</u>	<u>2,101</u>	<u>-</u>	<u>196,222</u>
Total transfers	\$3,284	\$22,178	\$14,236	\$8,300	\$235,741	\$14,325	\$19,529	\$317,593
	=====	=====	=====	=====	=====	=====	=====	=====

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2000

	Programs of the General Fund						
	Local	PCOA	Senior Center Activities	Local Transportation	Case Management	Adult Day Care	Total
REVENUES							
Intergovernmental:							
Tangipahoa Parish Council	\$ 45,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,000
City of Hammond	12,500	0	0	0	0	0	12,500
Town of Kentwood	2,400	0	0	0	0	0	2,400
Governor's Office of Elderly Affairs	0	25,202	0	0	0	0	25,202
Public Support:							
Tangipahoa Area United Way	22,500	0	0	0	0	0	22,500
Walking for Seniors fundraiser - restricted	10,792	0	0	0	0	0	10,792
General public donations - restricted	1,650	0	0	0	0	0	1,650
General public donations - unrestricted	723	0	0	0	0	0	723
Program Service Fees:							
Medic Alert unit rentals	10,579	0	0	0	0	0	10,579
Medicaid	0	0	0	0	6,687	0	6,687
Day Care Fees	0	0	0	0	0	2,356	2,356
Transportation services:							
School Board	0	0	0	11,912	0	0	11,912
Public Fares	0	0	0	1,949	0	0	1,949
Medicaid	0	0	0	12,508	0	0	12,508
Interest Income	2,096	0	0	0	0	0	2,096
Miscellaneous:							
Insurance Reimbursement	0	0	0	0	0	0	0
Sales of ceramics, drinks, etc.	0	0	3,115	0	0	0	3,115
In-kind Contributions	0	0	0	1,903	621	328	2,852
Total revenues	108,240	25,202	3,115	28,272	7,308	2,684	174,821
EXPENDITURES							
Current:							
Personnel	0	0	0	31,205	17,405	8,017	56,627
Fringe	0	0	0	3,537	1,356	629	5,522
Travel	243	0	0	419	345	58	1,065
Operating Services	0	0	0	7,858	1,194	1,541	10,593
Operating Supplies	115	0	0	4,180	428	310	5,033
Other Costs	10,299	0	3,681	1,348	195	101	15,624
Capital Outlay	38,915	0	0	0	0	0	38,915
In-kind	0	0	0	1,903	621	328	2,852
Total expenditures	49,572	0	3,681	50,450	21,544	10,984	136,231
Excess of revenues over(under) expenditures	58,668	25,202	(566)	(22,178)	(14,236)	(8,300)	38,590
OTHER FINANCING SOURCES (USES)							
Operating transfers in	3,284	0	0	22,178	14,236	8,300	47,998
Operating transfers out	(96,169)	(25,202)	0	0	0	0	(121,371)
Proceeds from sale of fixed assets	500	0	0	0	0	0	500
Excess of revenues and other sources over(under) expenditures and other uses	(33,717)	0	(566)	0	0	0	(34,283)
FUND BALANCES(DEFICIT)							
Beginning of year	154,066	0	3,695	0	0	0	157,761
End of year	\$ 120,349	\$ 0	\$ 3,129	\$ 0	\$ 0	\$ 0	\$ 123,478

Notes:

Included in the \$120,349 of the Local program's fund balance is \$6,935 of unused restricted funds from the Walking for Seniors fundraiser. These funds will be used to help pay for the costs of operating the congregate and home-delivered meals programs in future years.

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2000

REVENUES	Title III B	Title III C-1	Title III C-2	Title III D	Title III F	Senior Center	Suppl. Senior Center	Audit	EFSP	Section 5311	Utility Assistance	Totals
Intergovernmental:												
Capital Area Agency on Aging (CAAA)	\$ 115,433	\$ 53,700	\$ 51,416	\$ 3,812	\$ 4,446	\$ 56,562	\$ 4,500	\$ 2,796	\$ 0	\$ 0	\$ 0	\$ 292,865
City of Ponchartroula	0	0	0	0	0	0	0	0	0	126,979	0	126,979
United Way of America	0	0	0	0	0	0	0	0	13,648	0	0	13,648
City of Amite	0	0	4,537	0	0	0	0	0	0	0	0	4,537
Public Support (Restricted):												
L.P. & L. Helping Hands (via LACOA)	0	0	0	0	0	0	0	0	0	0	10,100	10,100
LA Gas Service	0	0	0	0	0	0	0	0	0	0	426	426
WST Electric	0	0	0	0	0	0	0	0	0	0	116	116
Client contributions	6,572	20,273	12,507	667	0	0	0	0	0	0	0	40,019
General public for home delivered meals	0	0	1,000	0	0	0	0	0	0	0	0	1,000
General public for fans	0	0	0	0	0	0	0	0	0	0	400	400
Program Service Fees:												
Medicaid transportation	7,266	0	0	0	0	0	0	0	0	0	0	7,266
Interest income	0	0	0	0	0	0	0	0	261	0	0	261
Miscellaneous:												
Alternate vendor receipts,												
net of expenditures	0	35	0	0	0	0	0	0	0	0	0	35
In-kind Contributions	13,670	10,854	2,093	713	34	76,252	0	0	0	0	0	103,616
Total revenues	142,941	84,862	71,553	5,192	4,480	132,814	4,500	2,796	13,909	126,979	11,042	601,068
EXPENDITURES												
Current:												
Personnel	248,588	73,865	41,727	18,466	342	0	0	0	0	0	0	382,888
Fringe	27,143	5,616	3,523	1,358	26	0	0	0	0	0	0	37,866
Travel	6,073	662	981	2,130	32	0	0	0	0	0	0	9,878
Operating Services	47,580	5,093	7,488	1,372	66	0	0	0	0	0	0	61,879
Operating Supplies	26,130	2,035	3,219	468	407	0	0	0	0	0	0	32,249
Other Costs	9,498	828	533	224	289	0	0	0	0	0	0	11,372
Meals	0	34	9,908	0	0	0	0	0	13,462	0	0	23,404
Utility Assistance	0	0	0	0	0	0	0	0	600	0	12,085	12,885
In-kind	13,670	10,854	2,093	713	34	76,252	0	0	0	0	0	103,616
Total expenditures	378,682	99,187	69,452	24,721	1,196	76,252	0	0	14,062	0	12,095	675,647
Excess of revenues over (under) expenditures	(235,741)	(14,325)	2,101	(19,529)	3,284	56,562	4,500	2,796	(153)	126,979	(1,053)	(74,579)
OTHER FINANCING SOURCES (USES)												
Operating transfers in	235,741	14,325	0	19,529	0	0	0	0	0	0	0	289,595
Operating transfers out	0	0	(2,101)	0	(3,284)	(56,562)	(4,500)	(2,796)	0	(126,979)	0	(196,222)
Excess of revenues and other sources over (under) expenditures and other uses	0	0	0	0	0	0	0	0	(153)	0	(1,053)	(1,206)
FUND BALANCE (DEFICIT)												
Beginning of year	0	0	0	0	0	0	0	0	1,180	0	2,106	3,286
End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,027	\$ 0	\$ 1,053	\$ 2,080

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS
AND THE CAPITAL AREA AGENCY ON AGING**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>PCOA</u>			
Transfers to other funds:			
Audit	\$ 40	\$ 0	\$ 40
Title III D	19,577	19,529	48
General Fund Programs:			
Local	146	0	146
Case Management	3,078	0	3,078
Adult Day Care	2,361	5,673	(3,312)
Totals	<u>\$ 25,202</u>	<u>\$ 25,202</u>	<u>\$ 0</u>
 <u>TITLE III B</u>			
Personnel	\$ 250,636	\$ 248,588	\$ 2,048
Fringe	29,806	27,143	2,663
Travel	6,297	6,073	224
Operating Services	44,060	47,580	(3,520)
Operating Supplies	25,550	26,130	(580)
Other Costs	7,649	9,498	(1,849)
Totals	<u>\$ 363,998</u>	<u>\$ 365,012</u>	<u>\$ (1,014)</u>
 <u>TITLE III C-1</u>			
Personnel	\$ 71,848	\$ 73,865	\$ (2,017)
Fringe	6,764	5,816	948
Travel	671	662	9
Operating Services	4,027	5,093	(1,066)
Operating Supplies	2,323	2,035	288
Other Costs	546	828	(282)
Meals	0	34	(34)
Totals	<u>\$ 86,179</u>	<u>\$ 88,333</u>	<u>\$ (2,154)</u>
 <u>TITLE III C-2</u>			
Personnel	\$ 40,692	\$ 41,727	\$ (1,035)
Fringe	5,069	3,523	1,546
Travel	1,031	981	50
Operating Services	7,356	7,468	(112)
Operating Supplies	3,220	3,219	1
Other Costs	282	533	(251)
Meals	0	9,908	(9,908)
Transfers to Title III C -1	0	2,101	(2,101)
Totals	<u>\$ 57,650</u>	<u>\$ 69,460</u>	<u>\$ (11,810)</u>

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS
AND THE CAPITAL AREA AGENCY ON AGING**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>TITLE III D</u>			
Personnel	\$ 18,314	\$ 18,466	\$ (152)
Fringe	1,711	1,358	353
Travel	2,117	2,130	(13)
Operating Services	1,113	1,372	(259)
Operating Supplies	607	458	149
Other Costs	77	224	(147)
Totals	<u>\$ 23,939</u>	<u>\$ 24,008</u>	<u>\$ (69)</u>
<u>TITLE III F</u>			
Personnel	\$ 422	\$ 342	\$ 80
Fringe	39	26	13
Travel	45	32	13
Operating Services	61	66	(5)
Operating Supplies	428	407	21
Other Costs	304	289	15
Full Service	3,412	0	3,412
Transfers to the General Fund (See note 2)	0	3,284	(3,284)
Totals	<u>\$ 4,711</u>	<u>\$ 4,446</u>	<u>\$ 265</u>
<u>SENIOR CENTER</u>			
Transfers to Title III B	\$ 56,562	\$ 56,562	\$ 0
Totals	<u>\$ 56,562</u>	<u>\$ 56,562</u>	<u>\$ 0</u>
<u>SUPPLEMENTAL SENIOR CENTER</u>			
Transfers to Title III B	\$ 4,500	\$ 4,500	\$ 0
Totals	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 0</u>
<u>AUDIT</u>			
Other Costs	\$ 4,800	\$ 0	\$ 4,800
Transfers to Title III B	0	2,796	(2,796)
Totals	<u>\$ 4,800</u>	<u>\$ 2,796</u>	<u>\$ 2,004</u>

Footnotes:

1. The PCOA funds were the only funds directly provided by GOEA. The funds for the other programs were provided by GOEA indirectly through the Capital Area Agency on Aging.
2. The cost of providing contracted units was less than expected. Accordingly, revenues in the Title III F program exceeded actual expenditures and the excess funds were transferred to the General Fund.

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

	Balance June 30, 1999	Additions	Deletions	Balance June 30, 2000
General fixed assets:				
Vehicles	\$ 195,062	\$ 2,650	\$ (4,847)	\$ 192,865
Office furniture and equipment	24,737	0	(601)	24,136
Computer equipment	14,723	0	(1,566)	13,157
Nutrition equipment	7,297	0	0	7,297
Leasehold improvements	5,487	29,526	(1,449)	33,564
Exercise equipment	3,749	0	0	3,749
Total general fixed assets	\$ 251,055	\$ 32,176	\$ (8,463)	\$ 274,768
Investment in general fixed assets:				
Property acquired with funds from -				
Local funds and donations	\$ 67,442	\$ 32,176	\$ (5,237)	\$ 94,381
FTA Section 5310	101,603	0	0	101,603
FTA Section 5311	1,521	0	0	1,521
Title III B	11,984	0	(1,390)	10,594
Title III C-1	33,721	0	(964)	32,757
Title III C-2	19,431	0	(221)	19,210
Title III F	5,835	0	(211)	5,624
Senior Center	6,940	0	(440)	6,500
Energy Outreach	987	0	0	987
Title XX	91	0	0	91
Medicaid	1,500	0	0	1,500
Total investments in general fixed assets	\$ 251,055	\$ 32,176	\$ (8,463)	\$ 274,768

Footnote: The above schedule represents only fixed assets whose title is held by The Tangipahoa Parish Voluntary Council on Aging. Capital outlay expenditures for fiscal year 2000, as presented in the financial statements of the General Fund, include \$6,739 of matching funds for a van that is used by the Council, but whose title is held by the City of Ponchatoula.

**SCHEDULE OF PRIORITY SERVICES -
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES**

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the Year Ended June 30, 2000

Capital Area Agency of Aging - District II, Inc. (CAAA) is the regional area agency for The Tangipahoa Parish Voluntary Council on Aging. Because of this relationship, CAAA is primarily responsible to the Governor's Office of Elderly Affairs with respect to meeting and reporting the earmarking percentages and requirements prescribed by Title III, Part B. Accordingly, this schedule is not applicable to The Tangipahoa Parish Voluntary Council on Aging.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2000

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
Federal Emergency Management Agency					
Passed through the United Way of America:					
Emergency Food & Shelter National Board Program (17-3696-00)	83.523	09/30/99	13,648	13,648	13,648
Emergency Food & Shelter National Board Program (18-3696-00)	83.523	09/30/00	16,000	0	0
Subtotal CFDA #83.523			29,648	13,648	13,648
Totals for The Federal Emergency Management Agency			29,648	13,648	13,648
U.S. Department of Health and Human Services - Administration on Aging					
Passed through the Governor's Office of Elderly Affairs:					
Passed through the Capital Area Agency on Aging - District II, Inc.:					
Special Programs for the Aging :					
Title III, Part B - Grants for Supportive Services & Senior Centers	93.044	06/30/00	77,202	77,202	77,202
Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	06/30/00	52,649	52,649	52,649
Title III, Part C-2 - Nutrition Services - Home Delivered Meals	93.045	06/30/00	28,870	28,870	28,870
Subtotal CFDA #93.045			81,519	81,519	81,519
Title III, Part D - In-Home Services to Frail Older Individuals	93.046	06/30/00	3,240	3,240	3,240
Title III, Part F - Disease Prevention & Health Promotion Services	93.043	06/30/00	3,779	3,779	3,779
Totals for U.S. Department of Health & Human Services - Administration on Aging			165,740	165,740	165,740
U.S. Department of Transportation					
Passed through the Louisiana Department of Transportation & Development:					
FTA - Public Transportation Discretionary Capital Assistance for the					
Nonurbanized Area-Section 5309:					
(Federal project # LA-03-0083)					
(State project # 736-99-0732)	20.500	N/A	25,661	0	0
Subtotal for CFDA #20.500			25,661	0	0
Passed through the Louisiana Department of Transportation & Development &					
the City of Ponchatoula, Louisiana:					
FTA - Public Transportation for Nonurbanized Areas - Section 5311:					
(Federal project # LA-18-X017)					
(State project # 741-53-0106)	20.509	06/30/00	126,979	126,979	126,979
Subtotal for CFDA #20.509			126,979	126,979	126,979
Totals for U.S. Department of Transportation			152,640	126,979	126,979
Total federal grants			\$ 348,028	\$ 306,367	\$ 306,367

The accompanying notes are an integral part of this schedule.

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of The Tangipahoa Parish Voluntary Council on Aging and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in , or used in the presentation of, the general-purpose financial statements.

Note B - The Tangipahoa Parish Voluntary Council on Aging did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2000

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs noted in item 7 below for The Tangipahoa Parish Voluntary Council on Aging expresses an unqualified opinion.
6. No audit findings are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs are as follows:

U.S. Department of Health and Human Services -
Administration on Aging:

Special Programs for the Aging:

- ♦ Title III, Part B - Grants for Supportive Services and Senior Centers; CFDA #93.044, and
- ♦ Title III, Part C - Nutrition Services; CFDA #93.045

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

A. SUMMARY OF AUDITOR'S RESULTS - (continued)

8. The threshold for distinguishing Types A and B Programs was \$300,000.
9. The Tangipahoa Parish Voluntary Council on Aging was determined not be to a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings that are required to be reported in this section of the report.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings that are required to be reported in this section of the report.

D. MANAGEMENT LETTER

The auditor issued a management letter dated August 17, 2000, that discussed immaterial instances of weaknesses in internal control and noncompliance. A copy of that letter follows in this report package.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

**Section I - INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES
MATERIAL TO THE FINANCIAL STATEMENTS**

Finding
reference #: 99-1

Description of
the Matter: The auditor reported that errors in allocating
indirect costs were made and that they were
not being detected timely by management.

Auditor's
Recommendation: The auditor recommended that employees who
were involved in allocating costs and the
Council's director needed to review the
process of compiling information and
allocating costs. The auditor said that it is
important for all people involved in the
process to fully understand the concepts and
procedures of cost allocation. The auditor
also recommended that the director pay closer
attention in her review of accounting
information.

Status: The auditor's recommendation was followed.
The cost allocation process was reviewed and
the people were trained to comply with the
procedure. The director also monitors the
allocation process more closely now. The
Council's management feels this matter has
been corrected and resolved.

**Section II - INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES
MATERIAL TO FEDERAL AWARDS**

The matter discussed in Section I also applies to
Section II. It was resolved as described in
Section I.

Section III - MANAGEMENT LETTER

There was no management letter issued in FY99.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4

BATON ROUGE, LA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAS

MEMBER OF THE
AMERICAN INSTITUTE OF CPAS

PHONE (225) 272-1177

MANAGEMENT LETTER

August 17, 2000

To the Board of Directors
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

I have audited the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 2000, and have issued my report thereon dated August 17, 2000. I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133.

As part of my examination, I have issued my report on the financial statements, dated August 17, 2000, and my report on internal control and compliance with laws, regulations, contracts, and grants, dated August 17, 2000.

In planning and performing my audit of the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging for the year ended June 30, 2000, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control. However, I noted certain matters involving the Council's internal control and its operation along with certain instances of noncompliance that I consider important enough to report to you. I do not feel that the instances involving noncompliance or weaknesses in the Council's internal control are individually significant or material to the financial statements, however, they are important for management to evaluate and take corrective action.

My consideration of the Council's internal control would not necessarily disclose all matters in internal control that might be a reportable condition to management and, accordingly, would not necessarily disclose conditions that are also material weaknesses. In addition, my tests of compliance would not necessarily disclose all instances of noncompliance that may have occurred during the year.

The following is a list of the items that I noted during the audit which are deserving of your attention. I will report on the status of management's corrective action in next year's audit report.

Internal Control Weaknesses

IC-1 FY2000 Books Were Out of Balance

The fiscal year 2000 books were not in balance when they were given to me at the beginning of the audit. The difference was noted by the Council's accounting department and reported to me during the year. The Council attempted to work with Capital Area Agency on Aging to correct the imbalance in its books, but could not do so by the time the books were closed for the year and furnished to me for the audit. I have encountered a similar incidence at another council on aging which uses the same software as your council. The particular software being used is not user friendly, in my opinion. I have recommended to the Council's director and accounting department a switch to Quickbooks Pro. Other councils on aging have switched their software to Quickbooks Pro, and I have found it to be more user friendly and their books always balance. Accordingly, I recommend that the Council switch its accounting software. This will eliminate the possibility of the books getting out of balance again and other errors associated with non-user friendly software.

IC-2 Negative Trend Noted in Ponchatoula C-1 Contributions

I have been maintaining a trend analysis of the client contributions by site and by program for the Council for many years. I have noticed that the C-1 contributions at Ponchatoula have decreased significantly over the last four years. Here is a chart of contributions by year:

2000	\$3,455
1999	\$4,459
1998	\$4,803
1997	\$5,057

The Council's director is aware of the negative trend and feels that the trend may be due to the manner in which the site supervisor has invited participants to contribute.

I recommend that management follow up to specifically determine the nature of the decrease in contributions at the Ponchatoula meal site. A surprise audit of the contributions may be necessary as well as an investigation to see if the participants are being encouraged to voluntarily contribute.

IC-3 Pay Rates and Subsequent Changes Are Not Being Documented in Personnel Files

The Council's personnel policy requires that each employee's pay rate and any subsequent change to the employee's pay rate be documented in the employee's personnel file. This has not been done in all cases. I recommend that each employee's personnel file be reviewed to determine if the employee's pay rate history has been properly documented and that future changes be documented in a manner required by your personnel policy.

IC-4 Management Needs to Identify Conflicts of Interest

Occasionally, I become aware of employees having second jobs. To remedy problems that could occur, I recommend management take a pro-active approach to identify potential conflicts of interest. If any such instances are identified, management can evaluate if second jobs could impact the employee's ability to properly perform his or her job responsibilities while on the Council's payroll. To do this, each employee would (1) declare that they have or do not have any financial relationships with entities doing business with the Council and (2) declare any second jobs or other working relationships. This information would be obtained from each employee in writing, reviewed by management, and placed in the employee's personnel file with an indication as to whether or not management believes the second job to be a conflict of interest. In addition, written certifications should be obtained from each board member that he or she does not have any conflicts of interest with the Council's operations. Finally, if an employee or board member, after having already provided management with his or her certification, obtains a second job or enters into a possible conflicting relationship, then it should be mandatory for him or her to declare the relationship and not wait until the next certification date.

Instances of Noncompliance

NC-1 Deposits At Central Progressive Bank Were Uninsured

The Council is responsible for insuring or obtaining collateral from its bank to insure that all public funds are adequately secured. Federal law covers deposits up to \$100,000 through federal depository insurance. However, deposits in excess of \$100,000 in any one bank are uninsured. Accordingly, the Council is responsible for having its bank pledge securities to cover the amounts that exceed \$100,000. I noticed during the audit that deposits at Central Progressive Bank were uncollateralized at times throughout the year. I spoke with a representative from Central Progressive Bank and he was unaware of this requirement. However, after investigating the matter, he agreed with my point of view. Accordingly, this matter has now been resolved to my satisfaction. I wanted to point out the matter to you so that you would be informed about it and to tell you how it was resolved.

NC-2 State Law Does Not Allow For Christmas Parties To Be Paid For With Public Funds

I noticed that the Council had a Christmas party where it paid for its employees to attend. The amount involved was \$608. This appears to be an incident where management was unaware of the prohibition to use public funds to pay for an employee Christmas party. I recommend that this not be done in the future. However, in cases where Council functions are held such as this one, a collection should be taken from the people who attend to pay for all of the costs.

NC-3 I-9 Forms Noted As Not Being Properly Completed

The I-9 Form is a document which is required by federal law to help management determine and document that its employees are not illegal aliens. There are certain requirements necessary in filling out this form and documents that need to be maintained. I noticed that there were a couple of instances where the I-9 Form and related documentation was not properly maintained. I recommend that, in the future, this information be doubled checked by the director to insure that the information is properly obtained and documented in the employee's file.

NC-4 Do Not Approve "Retroactive" Raises

I want to alert the Board that it is not appropriate to grant "retroactive" raises. When giving raises, you should phrase your approval in such a way to make any raises prospectively to accomplish the same purpose as if the raises were to be given retroactively. Basically, this is a matter of using the correct words(form) in order to insure that the substance of your intent remains the same. There was an incident where this occurred in this year's audit. I recommend that management note this for future situations where raises are awarded during the year.

NC-5 Actual Expenditures Exceeded Budgeted Expenditures In Certain Programs

I noted that there were instances where actual expenditures exceeded budgeted expenditures by more than 10%. Even though this occurred, the Council compensated for the budget overruns by supplementing the programs with unrestricted funds. Management should strive to better forecast expenditures when preparing program budgets in the future.

Some of the matters I have discussed above may require additional discussions between management and myself to properly implement corrective action. I will be glad to assist management in implementing my recommendations.

This report is intended solely for the use of the Council's Board of Directors, management, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Neil G. Ferrari

Neil G. Ferrari, CPA

MANAGEMENT'S CORRECTIVE ACTION PLAN

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2000

To the following oversight agencies for audit:

**Federal: U.S. Department of Health and Human Services -
Administration on Aging.**

**State: Legislative Auditor of the State of Louisiana; and
Governor's Office of Elderly Affairs.**

**The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana,
respectfully submits the following corrective action plan for the
year ended June 30, 2000.**

**Name and address of independent public accounting firm: Neil G.
Ferrari, CPA, 14481 Old Hammond Highway, Suite 4, Baton Rouge,
Louisiana, 70816.**

Audit period: For the year ended June 30, 2000.

**The findings from the June 30, 2000 schedule of findings and
questioned costs are discussed below. The findings are numbered
consistently with the numbers assigned in the schedule. Section A
of the schedule, Summary of Audit Results, does not include
findings and is not addressed in this corrective action plan.**

SECTION B. FINANCIAL STATEMENT FINDINGS

There were no findings reported in this section.

SECTION C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

There were no findings reported in this section.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

SECTION D. MANAGEMENT LETTER

Internal Control Weaknesses

IC-1 FY2000 Books Were Out of Balance

**Management's
Response:**

Management has already discussed with the auditor the need to switch the accounting software to Quickbooks. After the audit is over, the auditor will contact the Council's director to arrange a time to set up the new software and eliminate the problems of using the current software.

IC-2 Negative Trend Noted in Ponchatoula C-1 Contributions

**Management's
Response:**

Surprise audits as suggested by the auditor will be conducted at the Ponchatoula meal site. Since the time the auditor made his recommendation during the audit, management has investigated the decline in contributions at this site and the results of the investigation have indicated that the reasons for the decline in contributions are reasonable. The nature of the problem causing the decline in contributions seems to be related to the manner in which the supervisor is inviting participants to contribute. She has requested participants to donate in whole dollar amounts, instead of contributing whatever they feel they can afford. Management has reviewed the proper procedure with the site manager and feels this matter is now resolved. Management will continue to monitor the contributions at this site.

IC-3 Pay Rates and Subsequent Changes Are Not Being Documented in Personnel Files

**Management's
Response:**

Each employee's personnel file will be reviewed to determine if the employee's pay rate history has been properly documented. For any changes in the future to employee pay rates, management will insure that such changes are documented in the employee's personnel file in accordance with the Council's policy.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

IC-4 Management Needs to Identify Conflicts of Interest

Management's

Response:

Management has noted the auditor's concern and will develop a means to actively monitor and verify conflicts of interest.

Instances of Noncompliance

NC-1 Deposits At Central Progressive Bank Were Uninsured

Management's

Response:

Central Progressive Bank has now provided security for the Council's deposits in excess of \$100,000. Accordingly, this matter has been resolved.

NC-2 State Law Does Not Allow For Christmas Parties To Be Paid For With Public Funds

Management's

Response:

Management was unaware of the state law surrounding the use of public funds to pay for employee Christmas parties. In the future, a collection will be taken to insure that each person attending this type of event pays his or her fair share for attending the event. No public money will be used to subsidize the event.

NC-3 I-9 Forms Noted As Not Being Properly Completed

Management's

Response:

The errors in completing the I-9 Forms were clerical in nature. Management will monitor this area more closely to make sure that the forms are properly completed and that proper documentation is maintained.

NC-4 Do Not Give "Retroactive" Raises

Management's

Response:

Management has noted the auditor's recommendation and will make sure raises awarded during the year are granted prospectively.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

NC-5

**Actual Expenditures Exceeded Budgeted Expenditures
In Certain Programs**

Management's

Response:

Management acknowledges there were some minor budget overruns in some of the programs funded by Capital Area Agency on Aging. We will more closely monitor actual and budgeted expenditures by program next year to prevent recurrence.

If there are any questions regarding this corrective action plan, please call Debi Fleming, the Council's director, at (504) 748-7486.